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ABSTRACT

Recommendations of the Commission on the Future of Minnesota Post-Secondary Education are presented. A mission statement is proposed for adoption by the state, along with four principles to guide policy development. While the Commission does not recommend closing of any campuses in 1984, it suggested that criteria and procedures be developed for the annual review of the scope, mix, and cost of programs. The following issues are also addressed, and recommendations and cost estimates are included: stronger coordination between colleges and high schools, marketing higher education for lifelong learning, tuition policies, student financial aid, developmental/remedial education, establishing demonstration centers for instructional technology, enhancing the quality of graduate education and research, and linking higher education to employment needs. Recommendations directed to each system of post-secondary education are also provided. Because of their unique roles, specific attention is directed to the Higher Education Coordinating Board and to systems leadership, including the need for area or regional planning. Public policy concerning private higher education is also discussed. (SW)

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POSTSECONDARY EDUCATION IN MINNESOTA

A commitment to quality, access and diversity

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STATE OF MINNESOTA
COMMISSION ON THE FUTURE OF
MINNESOTA POST SECONDARY EDUCATION

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TEL NO. 296-4086

April 2, 1984

The Honorable Rudy Perpich
Governor
State of Minnesota
130 State Capitol
St. Paul, Minnesota 55155

Dear Governor:

Your Commission on the Future of Post-Secondary Education in Minnesota has completed its work and submits its report herewith. We thank you for the opportunity to have this learning experience. Our association has been congenial and our decisions are unanimous.

We are grateful for the cooperation extended us by all systems of post-secondary education, the Higher Education Coordinating Board, the Private College Council, the state Department of Administration, the McKnight Foundation, the splendid staff made available to us, and the large number of Legislators, educators, students and concerned citizens with whom we have consulted.

When we started, the state was in a fiscal crisis and there had been projections of huge declines in post-secondary enrollment. Fortunately, the financial situation has eased and the enrollment projections were found to be overstated and have been modified.

We do not find it necessary nor advisable to close any institution at this time. This does not mean that it may not become necessary. We believe the systems now have the authority and are sufficiently alerted to monitor the situation so each can act when the facts justify. There are merger possibilities that should be actively pursued.

AN EQUAL OPPORTUNITY EMPLOYER

The major thrust of our report is that our systems of post-secondary education have effective leadership and administration, and that we are fortunate to have the educational structure, public and private, now in place. This tremendous asset should be used to reach a higher percentage of high school graduates and the general population. We should also reach out beyond our state borders to attract a greater number of the best students to come to Minnesota for their education in confidence that many will chose to stay here. They add to our pool of skilled and highly motivated workers, the most important factor in keeping and attracting desirable industry and contributing to our economic and social well being.

The report contains a large number of specific suggestions and recommendations which we hope will have your favorable consideration.

Respectfully submitted,

Elmer L. Andersen, Chairman
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ELA:rs
Attachment

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Many other individuals and groups assisted the Commission. For their cooperation, we would like to thank: the University of Minnesota, State University System, Community College System, Vocational Technical Education System, Higher Education Coordinating Board, Department of Finance, Department of Education, and the Office of the Governor. A special thanks to the Legislators, educators, students and concerned citizens who shared with us their ideas and perspectives. We are indebted to them for increasing our awareness and stimulating our thought.

Finally, the Commission members and staff would like to express their gratitude to Chairman Elmer L. Andersen for his outstanding leadership throughout these deliberations.

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INTRODUCTION TO SECTION I

The initial section of this report recommends a broad framework in which the challenges facing post-secondary education can be placed. Chapter 1 proposes a mission statement for adoption by the Governor and Legislature and offers four specific principles to guide policy development.

Chapter 2 speaks directly to the question of closing, merging, and consolidating campuses. Specifically, this Commission does not recommend that any campuses be closed at this time. Instead, system governing boards must be vigilant in the years ahead and accept the responsibility invested in them by the 1983 Legislature.

CHAPTER 1

A MISSION FOR MINNESOTA HIGHER EDUCATION

> "Search America from sea to sea and you will not find a state that has offered as close a model of successful society as Minnesota . . . Few states have exceeded Minnesota in the quality and extent of the education offered in the schools and colleges."
>
> Neal R. Pierce and Jerry Hagstrom,
> The Book of America: Inside Fifty States Today, 1983

Recommendations:

- Adopt a mission statement for Minnesota Higher Education balancing quality, access, and diversity.
- Offer the highest quality education possible.
- Broaden the mix of faculty and students.
- Increase the proportion of people enrolling in higher education.
- Develop the most highly trained and productive workforce in the world.

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The Commission on the Future of Post-Secondary Education in Minnesota firmly believes that the personal sacrifices and long-standing investment in education made by Minnesotans is the reason our state is recognized for its exemplary quality of life. Minnesotans have an abiding faith that education provides citizens with the skills and knowledge to govern themselves wisely, leading to an improved quality of life.

As we move from an industrial to a high technology-information society, post-secondary education** will become increasingly important. Today, a high school education is no longer adequate preparation for effective citizenship. Indeed education is no longer preparatory but rather is continuous. Today, ten years of experience often translate into five years of experience and five years of obsolescence. Rapid change has produced a need

lifelong learning. We believe that this need will intensify as we approach the twenty-first century.

To guide higher education policy, the Commission recommends that the Legislature and Governor statutorily adopt the following mission statement:

A MISSION FOR HIGHER EDUCATION

We, the citizens of Minnesota, affirm that the success of our communities, our state, our nation, our world, and ultimately ourselves, is in large measure determined by our commitment to lifelong learning. The ability to meet our needs for security, health, economic well being, peace, and pursuit of happiness is best ensured by providing lifelong learning opportunities and encouraging their use by all citizens.

Our pioneering ancestors, with vision and hope for the future. built their first school thirty-eight years before statehood. Our people have continued to reaffirm this commitment to education by setting aside both public and private rescurces to establish public and private colleges, universities, area vocational technical institutes, and proprietary schools.

In the face of a rapidly changing and increasingly complex society, we, the citizens of Minnesota, reaffirm our commitment to higher education built on the principles of quality, access and diversity. These principles will continue to be the foundation on which public policy for higher education will be built.

We believe . .

. . . Quality is the guarantee to an effective education. Minnesota is committed to making the strategic choices necessary to have quality faculty, motivated students, skilled administrators, and effective curricular and research programs which will ensure the state's recognition as a world leader in educational excellence.

. . . Access is essential to ensure that all individuals have the opportunity to develop their talents. Minnesota is committed to minimizing the barriers to enrollment, providing regional access, affordable tuition, offering financial aid in support of educational choice, and encouraging all citizens to participate in education and to continue professional training throughout their lives.

. . . Diversity in all facets of society undergirds our democracy. Minnesota guarantees this essential characteristic through a variety of public and private educational programs and through active recruitment of a broad mix of faculty and students. Diversity is further maintained by our strong commitment to academic freedom which creates an atmosphere encouraging intellectual inquiry and an openness to new, perhaps unpopular ideas.

A balance among these three principles is essential. Neither the state nor its citizens are well served when an imbalance exists: access without quality produces inadequate education; quality without access is unfair.

Minnesota's commitment to lifelong learning can be met only if the responsibility for promoting, organizing, funding and evaluating education is shared by educators, students, private organizations and citizens in partnership with the state. Fulfillment of this commitment requires the wise deployment of human and financial resources and the continued application of new technologies by all systems of education.

The broad principles put forward in this mission statement are intended to be "timeless." Yet the next twenty years will offer their own, unique conditions. In this context we offer four more specific principles which we feel should guide the development of Minnesota higher education into the twenty-first century.

First, Minnesota must commit itself to offering the highest quality education possible. All around us we can witness examples of society opting for quality when other choices, such as quantity, are given. Increasingly business, industry, and the public sector are demanding excellence in the persons they hire. With job opportunities becoming more competitive, we anticipate that students will continue to demand high quality learning opportunities. In large measure, quality education will be determined by the quality of faculty our institutions are able to attract and retain. No longer are local, regional, or even national measures of attainment sufficient. Minnesota must view its competition as the entire world.

This is NOT to say that we are recommending the establishment of an elitist system of post-secondary education. We believe that quality can be ensured without denying access or decreasing diversity. For the last two decades the balance between quality, access, and diversity has been tilted in favor of access. Twenty years ago Minnesota set out to provide higher education within commuting distance of all citizens. For the particular period in our country's history this was an appropriate policy, as our society consciously sought to enfranchise underserved populations. In planning for quality education in the future, post-secondary systems will need to define clearly their respective missions and avoid unnecessary duplication.

To right the balance between quality, access, and diversity, the Commission recommends that Minnesota's educational policies recognize the critical role which quality will play over the next twenty years.

Second, in the decades to come the partner of quality will be diversity. Our state has always improved when we have broadened the diversity of our population. Similarly, institutions are enriched when they broaden their mix of students and faculty. As we seek to improve quality we must continue to expand opportunities for minorities. If our emphasis on quality results in a retreat from diversity, the battle for a true democracy will be lost.

Third, the Commission recommends that the State of Minnesota set for itself a goal of significantly increasing the proportion of

the state's population which enrolls in post-secondary education.

We believe that high school training alone is no longer adequate for life in today's world and that almost everyone has talents and abilities worthy of development after high school graduation. Some believe that public funds should not support higher education if it does not lead directly to employment. This Commission disagrees. A highly educated citizenry is in the best interest of the state, whether that education be directly job related or not. As Thomas Jefferson noted, the success of our democracy rests on the capabilities and capacities of our citizens.

Fourth, the state must recognize that higher education is one of the most powerful determinants of economic development. Numerous studies and experiences show that advanced training and research lead to a manifold return on the original investment.

Examples can be given from Mississippi, Oklahoma, and South Carolina in which the state's vocational technical institutes set out to educate a workforce with particular skills at no cost to prospective employers. In turn this labor pool was used to attract industrial development to the area. Similar examples could be given for baccalaureate and graduate programs. Just as low taxes can improve the business climate, so too can skilled workers who meet the job needs of firms seeking to expand. Increasing skills also leads to an increase in entrepreneurial activity resulting in further economic expansion.

Minnesota should set a goal of having the most highly trained, most productive workforce in the world. Our heritage supports it; our future calls for it.

**Throughout this report the Commission uses the terms "post-secondary education" and "higher education" interchangeably. Both terms are intended to include the University of Minnesota, State Universities, Community Colleges, Area Vocational Technical Institutes, private colleges and universities, and proprietary schools.

CHAPTER 2

GOVERNING BOARD AUTHORITY: CLOSING, MERGING, AND CONSOLIDATION

> In human affairs the logical future, determined by past and present conditions, is less important than the willed future, which is largely brought about by deliberate choices.
>
> Rene Dubos

Recommendations

- Monitor the initiatives enacted by the 1983 Legislature.
- Close no institutions at the present time.
- Develop criteria and procedures for annual review of the scope, mix, and cost of programs.

****

Minnesota post-secondary education is a multi-faceted enterprise, characterized by complex relationships and issues that involve a large portion of the state's population. Beliefs regarding its future are strongly held; suggested changes are brought forward with conviction. There are no simple prescriptions for shaping the future of this essential component of our state.

Unanimously, this Commission believes that Minnesota's historical concern for high quality education, accessible to all, has been the single most important force behind our state's development. In the years immediately ahead, higher education faces many challenges. Yet, like Dubos, we are unwilling to sit by and accept a prognosis of depression or even decline for Minnesota higher education. Even more than in the past, the shape of Minnesota will be determined by the quality of our higher education programs.

In early 1983 both the Governor and Legislature recognized the challenges facing higher education. As a result, the 1983 Legislature enacted five programs aimed at furthering the development of both public and private higher education:

1) Ultimate responsibility for the mix of programs offered and the quality of services belongs to the governing board of each system;

2) Funding of instruction is based on the differentiated costs of programs;

3) Tuition rates are based on a portion of instructional costs;

4) State financial aid is based on need and 50% sharing of costs;

5) Tuition reciprocity is based on tuition rates charged in a student's home state.

This "watershed" legislation restored much of the funding base and laid the foundation for a new era in Minnesota higher education. We recommend that the Legislature give adequate time for the full impact of these new programs to be evaluated.

In testimony taken at thirteen locations around the state, citizens expressed strongly held beliefs in the value of higher education. We heard a near unanimous opinion calling for maintaining and even expanding educational opportunity. Citizens expressed a willingness to provide increased support for higher education.

Yet projected enrollment declines have caused concern that higher education is over-extended and Minnesota will be saddled with excess capacity. Governor Perpich in his testimony before the Commission reinforced this concern when he said:

> The new governance policy for higher education places the burden of decision making on the systems themselves. The [1983] legislation specifically refers to these decisions as the consolidation or merger of programs, and the closings of campuses. Even with this mandate, the choices will not be easy for the systems. We need some other mechanism to look objectively to the future. The systems need support for their authority, and encouragement and guidance to make the

decisions required of them. This is why I created this commission.

<u>This Commission does not recommend closing any institution at the present time</u>. The rationale for this recommendation stems from five observations.

First, higher education enrollment in Minnesota is currently at a record level. To recommend institutional closings at the moment in which the demand is the greatest makes little sense to us.

Second, the Commission is not convinced that enrollment declines will occur in the magnitude projected. The enrollment projection model developed by the Higher Education Coordinating Board does not take into account intervening social or economic variables and has been in error. For example, HECB enrollment projections made in 1973 fell short of actual enrollment by 12,000 students. Projections made in 1979, also for 1982-83, were short by 15,000 students. Projections for the year 2000, made in 1979 and then updated in 1984, differ by over 28,000 students, nearly 20% of the total enrollment.

Third, the resources invested in education reflect a commitment of many decades. Given the uncertainties of the future, it would not be prudent state policy to begin cutting back on higher education. In a few years we could undo decades of investment when history may show that any dips in enrollment were short-lived or very small.

Fourth, it is not clear that closing institutions would result in significant savings to the state or the students. Detailed econometric studies using data from Minnesota show that cost savings from closing institutions would yield a maximum of slightly more than half of the institution's budget. With reasonable increases in financial aid to maintain access, the savings may be no more than 6 cents on the dollar. These figures do not include the loss of personal income or sales in the area where the closing occurs.

Fifth and relatedly, the economic and cultural impact of closing institutions would be a severe blow to rural communities, many of which are already hard-pressed. Criteria put forth in the past for considering closings have dealt with regional demography and proportion of people served. Little has been done to examine the intensity of an educational need in a particular community or region. To rely solely on numbers would be an injustice to citizens who over the years have invested in higher education for themselves and for future generations.

In all probability enrollments will decline and systems will need to address issues of program duplication, merging, and consolidation. Failure on the part of governing boards, administrators, and faculty to respond to changing demography and evolving needs for higher education will most likely result in institutions having to be closed. Thus we do not want to give comfort to those who think that closings may not be necessary in the future.

Therefore the Commission recommends that governing boards work with systems' administrations to develop criteria and procedures for annually reviewing the mix, scope and costs of programs offered. Programs requiring a disproportionate share of the resources should be able to be justified on criteria of uniqueness or intensity of need. When the cost of providing access adversely affects the overall quality of a campus, institution or system, action must be taken by governing boards

In developing criteria, governing boards should consider a wide range of factors relevant to the mission of the institution(s). Examples of the factors to be considered include uniqueness, demand, placement record, number of graduates, scholarly productivity of the faculty, costs per student, and many more. In maintaining the balance among quality, access, and diversity, governing boards should recognize that smaller institutions will cost more per student than larger ones. Therefore, boards should limit program offerings in these smaller institutions. Development of these criteria and review procedures are fundamental to the responsibility invested in governing boards. In the final analysis, decisions about the future of programs are and should be "judgment calls."

INTRODUCTION TO SECTION II

This section, organized into eight chapters, focuses on issues which cut across higher education. Specific recommendations and cost estimates are presented to improve the strategic position of higher education and respond to the challenges of the next two decades.

If all the recommendations in this section were enacted, the state would be requested to spend an estimated $17-19 million per annum. For the benefits which these programs would provide, we think this is a reasonable figure.

To fund these recommendations, we offer the following general suggestions.

1. Before any institution is phased out or even cut back severely, local citizens and businesses should be asked to provide direct support for the institution.

2. The state should consider innovative ways of supporting higher education. Michigan provides a double tax credit for contributions to their colleges and universities. Consideration could also be given to using an approach similar to the "chickadee checkoff" currently utilized for contributions to the Non-Game Wildlife Fund.

3. If the state enacts a lottery, serious consideration should be given to designating some of the proceeds for higher education. Through expanded educational opportunity and quality, the citizens would realize direct payback on their "contribution."

CHAPTER 3

BUILDING A STRONGER LINK WITH SECONDARY EDUCATION

Recommendations:

- o Implement a tuition credit program for successful completion of high school coursework beyond minimal requirements.
- o Initiate the Governor's High School Scholar Recognition Program.
- o Expand summer enrichment programs for top high school students.
- o Set a goal of enrolling in higher education 80% of high school graduates.
- o Establish a higher education Career Guidance Program.
- o Consider providing tuition vouchers for the first two years of post-secondary education.

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Our report would be incomplete if it did not recognize the important role secondary education plays in preparing students for post-secondary work and motivating them to continue their education. In this spirit, we propose a set of recommendations which will enhance the linkages between secondary and higher education.

Rewarding and Recognizing Academic Performance

The Commission wants to hold out the possibility of higher academic achievement to all high school students by offering incentives for further academic work. We also want to recognize academic excellence and call to the attention of high school students the vast array of post-secondary opportunities in Minnesota. To these ends, we recommend the following:

1. The Legislature should establish a Tuition Credit Program for satisfactory completion of high school coursework which exceeds the minimal expected courses for a high school degree. Specifically, a tuition credit unit (TCU) would be awarded for each course completed in science, mathematics, English and foreign languages which exceeds the State Department of Education's recommendations for high school graduation. Each TCU earned by a student would carry a one-time value of $50 which could be applied as a tuition credit within two years of high school graduation at any accredited institution of higher education in Minnesota. We estimate this program would cost the state between $6-8 million per year.

   This program will motivate students to continue their education, will upgrade the preparation of students entering post-secondary education, and will encourage parents and students to work with their school systems to ensure that courses qualifying for this program are offered.

2. We recommend the establishment of the Governor's High School Scholar program. At the end of their junior year, students who rank in the top 10% of their class would receive a letter of commendation from the Governor. In addition to recognizing their academic achievement, this letter would note the importance of further education, provide information on post-secondary opportunities in Minnesota, and reinforce the advantages of accumulating tuition credits.

   In spring of the senior year, those ranked in the top 5% of their graduating class would be selected as Governor's Scholars. They would receive certificates of commendation from the Governor and a $200 tuition voucher for use at any accredited higher education institution in Minnesota. This program would cost approximately $600,000 per year.

3. We recommend the expansion of summer programs to provide academic enrichment for high school students who have distinguished themselves academically. Enrichment programs such as the Language Camp offered at Concordia College, the Writing Program at Carleton, and the Twin Cities Institute for Talented Youth are already available. The number of programs should be expanded and their accessibility broadened by offering scholarships to deserving students. Although the precise details need further study, we would recommend the consideration

of partial state sponsorship matched by contributions from the institutions involved.

It is our understanding that the Minnesota Private College Council is about to begin a study to expand the accessibility and availability of these opportunities. We support such efforts, for we believe it will assist high school students with college preparation.

Increasing the Proportion of High School Graduates Who Attend Post-Secondary Education

Approximately 55% of Minnesota's high school graduates attend some form of post-secondary education the fall immediately following their graduation from secondary school. As discussed in Chapter 1, we feel that high school education is no longer sufficient to participate as an effective citizen in today's world.

The Commission recommends that the state set a goal of increasing the proportion of high school graduates who attend post-secondary education to 80%. If Minnesota is to gain a competitive advantage with an educated workforce, we think it is reasonable to strive for having eight out of ten high school graduates receive advanced training. It is particularly sensible during a time of limited employment opportunities.

Our study has led us to conclude that "structural barriers" do not prevent individuals from enrolling in higher education. Most communities have higher education programs within commuting distance; moreover, the state supports a comprehensive financial aid program which, when coupled with private and federal funds provides needed aid to students. The specific recommendations outlined below are aimed at increasing the awareness of post-secondary opportunities and motivating an increased number of recent high school graduates to enroll.

1. We recommend the establishment of a state supported Post-Secondary Career Guidance program. This program is aimed specifically at enhancing the career and higher education counseling services available to high school students.

   We recognize that guidance counselors serve many functions within the high school, including disciplinary action, administration, and teaching. Studies conducted by Minnesota associations of professional guidance

personnel show that as little as 5% of a counselor's time may be spent in counseling for post-secondary education.

With this problem as a backdrop, we recommend the state set aside funds to provide assistance to school districts interested in improving their career and post-secondary counseling programs. Specifically, we propose that for any school district submitting a plan approved by the State Department of Education and the Higher Education Coordinating Board, the state (and any eligible federal sources) fund up to 75% of the costs of the program. We estimate that $400,000 annually should be set aside for this program.

2. If the state is to increase significantly the proportion of students enrolling in post-secondary education, a major incentive will have to be offered in addition to what is now being done. In the 1940's, the G.I. bill sent many back to school; in the 1950's, the National Student Defense Loan program enabled more to attend; in the 1960's, new institutions were opened.

   Given our belief in the importance of lifelong learning, perhaps it is time to consider offering the first two years of post-secondary education free to all those who seek it. This would place the first two years of higher education on the same plane as a high school education was a decade ago.

   Thus, we support the resolution adopted by the Higher Education Coordinating Board calling for a study to explore the feasibility of eliminating tuition for the first two years of public, post-secondary education and tuition vouchers of comparable worth for use at private institutions.

CHAPTER 4

MARKETING POST-SECONDARY EDUCATION FOR LIFELONG LEARNING

Recommendations:

- o Market higher education.
- o Establish a toll free hotline to provide program information for recent high school graduates.
- o Include higher education in the Department of Energy and Economic Development's marketing campaign.
- o Establish a "Governor's Education Council" to recognize employers supporting higher education.
- o Accredit more of business' educational programs; increase marketing of educational services by institutions.
- o Examine feasibility of tax incentives for business and industry's programs encouraging enrollment in higher education.
- o Establish a $250 one-time self improvement grant for citizens over 25 who enroll in higher education for the first time.

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Critical to increasing participation is a concerted effort to heighten the awareness of Minnesotans of the value and availability of post-secondary education. This effort should focus on the merits of education and not single out any particular post-secondary institution or system. Greater awareness of post-secondary education would enhance recruitment efforts and strengthen public support.

Consequently, we recommend that a coordinated marketing campaign be undertaken under the auspices of the Higher Education Coordinating Board to enhance public awareness of post-secondary education in Minnesota. The campaign should be developed with

participation from both public and private post-secondary systems. Print and broadcast media should be utilized to convey an image of post-secondary education as a wise investment of the public's resources, providing worthwhile opportunities throughout the state.

Funds to support the campaign should come from private sources -- business, foundations, etc. -- asking them to demonstrate their belief in the value of post-secondary education. The fundraising necessary to secure that support would aid in strengthening relationships between business and post-secondary education. A professional advertising agency, which might donate some of its services, should be retained to develop a quality campaign.

Part of the marketing campaign should be aimed at recruiting 18-22 year olds who have not previously enrolled in post-secondary education. It is important to reach this group because, once a student leaves high school, there are few accessible sources of information on post-secondary education.

Consideration should be given to establishing an "800 - number hotline" operated by the HECB through which students would receive guidance on the program best suited to their needs. To follow up with further information, a postcard could be sent to all institutions notifying them of the individual's inquiry.

The Commission also recommends that the Department of Energy and Economic Development include a specific segment on post-secondary education in its own marketing campaign for the state. The segment should stress the commitment this state has made to quality, access, and diversity, in higher education.

The state's economic development activity must focus on its post- secondary institutions as resources which contribute to Minnesota's quality of life, including the creation of a productive, dynamic workforce. Post-secondary education represents a major state investment which yields significant dividends in terms of economic development. Businesses interested in locating or expanding in Minnesota must be informed of the role played by AVTI's in providing technical training.

If we are to increase participation in lifelong learning, we must recognize the important role which private business can play. The Commission thus recommends the establishment of a Governor's Education Council to recognize businesses which provide incentives for their employees to receive additional post-secondary education, provide in-house programs, and otherwise support education and training. This could be accomplished in a

variety of ways including certificates of recognition from the Governor, an annual conference, or special recognition of employers during National Education Week.

HECB should encourage business and industry to seek accreditation for more of their educational programs so that credit from their programs would transfer to post-secondary institutions. Post-secondary institutions should increase their efforts to market their services to business and industry.

The Commission further recommends that the Department of Energy and Economic Development examine the feasibility of establishing a tax incentive program for businesses that encourage employees to enroll in post-secondary education.

To further promote lifelong learning, the state should increase the enrollment of those who are 25 years or older who have never attended post-secondary education. Over 50% of the population in Minnesota over 25 years of age have less than one year of college education.

We believe the best way to involve this group in post-secondary education is to offer them a direct monetary incentive. We recommend that potential students over the age of 25 who have never enrolled in post-secondary education be eligible for a one-time "self-improvement" grant of $250. This grant could be used as a tuition voucher in any accredited Minnesota post-secondary institution.

Once individuals have been out of formal schooling for more than seven years, their likelihood of entering a post-secondary program is not great. Typically these individuals have greater financial assets than their younger student counterparts. They are not eligible for financial aid; yet they may not have the disposable income readily available for tuition. We feel that once they are enrolled, the likelihood is high that they will continue their studies.

If this program attracted 1% of the eligible population over a ten year period, it would cost the state approximately $200,000 annually. As people use their one-time grant, the eligible population will decrease.

CHAPTER 5

TUITION POLICIES

Recommendations:

- Set tuition no higher than the highest tuition rate at institutions in bordering states.
- Recognize that tuition charges may limit access to selected programs; consider lowering the percentage of costs charged for these programs.
- Limit tuition increases according to agreed upon scale.
- Grant immediate resident tuition status to out-of-state students in the top 15% of their high school class; grant resident tuition status to all students after one year.
- Include all for-credit instruction in the determination of instructional costs and enrollment.

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The 1983 Legislature adopted a tuition policy which arrives at tuition charges as a percentage of instructional costs. This resulted in substantial tuition increases. To offset these increases, additional funds were appropriated to the State Scholarship and Grant Program. As a result of these policies, Minnesota is classified as a high tuition -- high financial aid state.

A national survey of college costs indicates that, on the average, tuition and fees at four-year public institutions in 1983-84 will be $1,105; in contrast tuition and fees will average $1,600 per year at the University of Minnesota and more than $1,300 per year at the state universities. For two-year institutions the national average is $621. At Minnesota community colleges the average is over $1,000 per year. Further, Minnesota's public institutions have the highest required tuition and fees in the region.

The tuition and fees at public post-secondary institutions rose an average 30% over the biennium. While the amount of financial

aid in the Minnesota State Scholarship and Grant Program was increased, a significant dollar gap between total revenues from tuition increases and financial aid increases was projected. Revenues from tuition increases for the biennium were projected to be $78 million while the share of the increase of state scholarships and grant dollars targeted to students in the public sector was projected to be $27 million. The difference is a gap of $51 million which is made up from the students' own resources or increased borrowing.

Parents, students, citizens, faculty, and administrators presenting testimony to the Commission expressed concern that the cost of education was rapidly going beyond the financial capability of middle class citizens. Concern was also expressed that tuition increases over the past three years have been of such magnitude that it is impossible for students and families to plan adequately for financing higher education.

We share these concerns and feel that the state may be creating financial barriers to post-secondary education if tuition increases persist. The Commission has five recommendations on tuition policy:

1. The state should set tuition at public post-secondary institutions no higher than the highest tuition rate charged at institutions in our border states.

   If Minnesota is to become an "education state" and attract top quality students from the region, it must have competitive price structures. Until this goal is realized, proposed tuition increases should be monitored carefully, and additional revenues needed to maintain quality should be sought from appropriations rather than tuition increases.

2. As a result of the 1983 Legislative enactments, a goal was set of having students pay 32% of their instructional costs. Over the long run, we should not lose sight of the fact that 32% is an arbitrary choice. To continue to offer full access to higher education we may want to change this percentage, particularly if the costs of education change significantly.

   We must also recognize that costs can be high for unique selected occupational, technical, professional, and research programs. Yet, it is in the state's best interests to maintain access to these programs so that graduates are available. The state should recognize that tuition costs can leverage the number of students

entering any field and consider having students pay a smaller fraction of instructional costs.

3. The Legislature should adopt a policy which limits the amount of tuition increases in any single year to the increase in the higher education price index, the consumer price index, or a maximum of 5% per year. Having such a limit would allow both families and students to plan for educational costs; it would also serve as an incentive for post-secondary education systems to contain cost increases.

4. Students who are residents of non-reciprocity states and who graduate in the upper 15% of their high school graduating class should be immediately granted resident tuition status. After one academic year of full time enrollment, all non-resident students should be granted residency status.

   The intent of this recommendation is to recruit top scholars from other states enriching the diversity of Minnesota. Testimony presented to the Commission suggests that 60-70% of non-residents graduating from Minnesota institutions become residents and thereby contribute to the state's economic growth.

5. The Commission favors abolishment of any differential treatment of students enrolled in summer sessions, evening classes, and extension programs or differentials in state funding. A task force, established by the Legislature to refine the average cost funding formula, is recommending that all credit bearing courses be included in determining average cost funding enrollments. We urge the 1984 Legislature to adopt this recommendation.

CHAPTER 6

STUDENT FINANCIAL AID

Recommendations:

- o Fund the "full cap" of instructional costs at private institutions beginning July 1, 1985.
- o Create an HECB task force to study the delivery of state scholarships and grants.
- o Establish an HECB toll free "hotline" for financial aid information.
- o Increase the number of resident tuition grants for international students not receiving financial support from their governments.
- o Conduct an HECB study to determine if financial needs of older, part-time, and independent students are being adequately met.
- o Audit uniform needs analysis to determine if it discriminates against Minnesotans with farm or business assets.

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The State of Minnesota has developed an excellent State Scholarship and Grant Program. The shared responsibility formula adopted in the 1983 Legislative session and the increase in dollars available for state scholarships and grants have placed Minnesota in the top ten states relative to the size of the program and the award per student. More importantly, the shared responsibility concept is a conscious effort to balance access and choice by targeting money to students with financial need. In regard to the State Scholarship and Grant Program, the Commission has two recommendations:

The "full cap" of instructional costs for private institutions should be implemented and fully funded beginning July 1, 1985.

The shared responsibility program is designed to preserve a balance between access and choice and to target financial aid dollars to students based upon financial need. Due to limited funds, this program was not fully funded in 1983.

The 1983 appropriation bill used 87% of the "full cap" for fiscal year 1984 and 91% of the "full cap" for 1985. At the same time the appropriations bill was passed, the Governor and House supported a proposal that would implement the "full cap" in fiscal year 1987, whereas the Senate's proposal would implement the "full cap" in fiscal year 1986.

To avoid rationing and to fully implement the intentions of the shared responsibility program, the program should be fully funded. This would cost the state an additional $4 million per year.

The net effect of this recommendation would be to increase the total amount of dollars in the scholarship and grant program and increase the private sector's share of the state scholarship and grant dollars without diminishing the number or size of awards in the public sector.

Second, the Higher Education Coordinating Board should establish a task force to explore the feasibility of alternate delivery systems for the State Scholarship and Grant Program. This task force should include financial aid officers, senior administrators from all sectors of post-secondary education and representation from the HECB Student Advisory Committee.

This recommendation is offered in hopes that the delivery of financial aid to students will be improved. The Commission fully supports maintaining central control of all policies and review authority with the Higher Education Coordinating Board and feels that this is an essential ingredient in developing alternate delivery systems. It also endorses the position of the Minnesota Association of Financial Aid Administrators that any delivery system should be flexible in its ability to meet student needs and be responsive to the need of particular sectors or institutions.

The Commission has four general recommendations on financial aid programs. The Higher Education Coordinating Board should establish a toll free hotline that students can call for financial aid information on the Minnesota State Scholarship and Grant Program and the Minnesota loan programs. The toll free hotline should be adequately staffed at all times.

To increase the diversity of students, to provide more opportunities in international business, and to internationalize the curriculum, Minnesota should actively recruit more international students to its institutions. The Commission recommends that M.S. 136A.143 be revised so that the one-half of one percent limitation on the number of resident tuition grants would be raised to 3% of an institution's FTEs. The Commission further recommends that resident tuition grants be limited to those international students who do not receive scholarships or stipends from their own governments.

The Commission recommends that HECB examine its financial aid programs to ensure they adequately meet the needs of the older, part-time, and independent students. The majority of financial aid programs, both in the state and nation, are designed to accommodate 18-22 year old students who are dependent upon their families for financial support. As more older students participate, it is important to assess if this student population is encountering financial barriers to enrolling in post-secondary education.

Lastly, the Commission recommends that HECB contract with an independent auditor to review the uniform needs analysis to determine if it discriminates against Minnesotans who have farm or business assets but do not have an adequate cash flow to finance their education. The Commission is particularly concerned that students from rural backgrounds are being unfairly treated by the uniform methodology.

CHAPTER 7

DEVELOPMENTAL/REMEDIAL EDUCATION

Recommendations:

- Maintain and support current developmental/remedial programs.
- Expect systems to offer developmental/remedial programs.
- Expect students to pay a higher proportion of costs for developmental/remedial programs.
- Define minimum competence required of all Minnesota high school graduates.

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Historically post-secondary education has been involved in remedial education. In the 1940's and early 1950's the large influx of veterans, many of whose education was deficient, induced institutions to establish various remedial services. The 1950's saw a decline in remedial programming as campuses filled their ranks from the large pool of graduating high school students. In the late 1960's and early 1970's college student bodies underwent significant changes. Government intervention and open admissions created a flow of non-traditional students who were not as adequately prepared. Again this created a need for developmental and remedial education.

As we look to the future of post-secondary education, the Commission has proposed greater emphasis on quality without sacrificing either access or diversity. If we are to meet these goals as well as expand participation in post-secondary education, developmental/remedial programs will be a key ingredient.

There can be little doubt that in the short term, more - not less - developmental/remedial programming will be necessary. As the student body grows more diverse, many students will be enrolling who will lack specific academic skills. Some of these students will be lacking because they have been out of formal education for many years; they will need "refresher courses."

Others will lack a single skill because it was not required in their previous educational program.

In studying this issue we have come to recognize the complexities inherent in defining "remedial" education. For example, work designated as remedial at one institution or at one level of education may not be remedial at another institution. For our purposes we shall agree with a report on this subject recently completed at the University of Minnesota. This report uses the awarding of credit as the indicator of what should be considered as developmental or remedial work. Specifically, if the course in question is awarded credit and if a college allows that credit to count toward completion of a degree, then such work should NOT be defined as developmental.

With this as background, the Commission makes the following recommendations:

1. We must continue to maintain and support present developmental and remedial programs to ensure that students will be qualified to complete their programs and graduate with the high level of skills we expect from all of post-secondary education. Additionally, as pressures mount for institutions to narrow their missions so that they may reduce costs or improve their quality, both the state and post-secondary education must continue to recognize their obligation to support developmental or remedial programs so that educational opportunity remains truly accessible to all.

2. Focusing the preponderance of developmental or remedial programming in one or two systems of post-secondary education is unworkable and impractical. Certainly the mission of community colleges results in these institutions offering a greater proportion of refresher and remedial courses. Yet with students increasingly attending more than one institution, it can be expected that all institutions will have a significant fraction of students with course or skill deficiencies.

3. Students should be expected to bear a larger share of the instructional costs of developmental/remedial programs than we typically expect in for-credit instruction. Because we expect students to enter post-secondary education with at least a minimal set of skills, we cannot ask either post-secondary institutions or the state to absorb the majority of costs for skill development that we reasonably expect to have been acquired elsewhere.

4. A series of dialogues between secondary and post-secondary systems should be initiated for the expressed purpose of:

   a) agreeing on a minimum set of competencies which post-secondary institutions can expect of all Minnesota high school graduates;

   b) establishing better methods for informing students of the skills expected of them in order to succeed in post-secondary education; this might include the production of a handbook which illustrates the academic qualifications expected for new students;

   c) discussing the advisability of establishing an evaluation program which will determine the growth in academic skills of Minnesota high school students as they progress through each of the senior high grades.

CHAPTER 8

ESTABLISHING DEMONSTRATION CENTERS FOR INSTRUCTIONAL TECHNOLOGY

Recommendations:

- Develop Technology Demonstration Centers in the northeastern, southeastern, southwestern, and metropolitan areas.
- Appropriate $250,000 per year for each center with matching contributions from institutions and industry.

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Few if any changes in the history of education hold out the potential for altering the delivery of instruction more than the advent of micro-circuitry, computation, and telecommunications. Micro-circuitry enables an incomprehensible number of computer instructions to be executed each second, thereby permitting the processing of complex algorithms which give the machine "artificial intelligence." Telecommunications permit the delivery of instructional resources to homes, office, and remote locations where instruction might otherwise be unavailable. For example, each week over 100 IBM engineers in Rochester "sit-in" on classes offered by the University's Institute of Technology through a microwave television link. This hook-up permits full participation via two-way communication for discussion and questions.

As educational material becomes more complex it is unrealistic to assume that all institutions will be able to provide the level of instruction their students need or want. This is already evident in the secondary school systems as resources grow ever tighter. As issues of quality and access continue to be of paramount importance, instructional technology holds out the possibility of a partial solution.

We recommend the establishment of four Technology Demonstration Centers to develop and deliver higher education learning materials. These centers should not be limited to computer technology but should encompass any and all technologies appropriate for the objectives at hand. Different centers might emphasize

different technologies or curriculum. These might include the joining of video technologies to computation and telecommunication. It might encompass cable television, radio, or satellite transmission.

The centers should be distributed throughout the different regions of the state, with locations in the northeastern, southeastern, southwestern and metro areas of the state. We specify four centers for a number of reasons. First, each locale will have different needs. For example, northeastern Minnesota is characterized by large distances between educational institutions and retraining needs as the economy shifts. This may call for a different type of technology than that required in the metropolitan area which might be characterized by a concentration of educational resources. Second, different centers may provide an incentive for different private firms to get involved. For example, Control Data has been involved in discussion with the University of Minnesota-Duluth about the possibility of establishing a UMD-CDC engineering center which would have computer-based education as a main form of supplementary instruction. With the large IBM installation in Rochester, we are hoping that we might entice IBM to enter into a partnership with the educational resources in southeastern Minnesota to establish a model instructional technology center.

We recommend that the Legislature appropriate $250,000 per year for each center with the stipulation that this amount be matched by a combination of in-kind or cash contributions by industry and the educational institutions which are involved in each center.

The presence of the following operational characteristics will be important to the success of the demonstration centers.

a. They should build on the significant public and private resources in computer-based education which this state has to offer. Organizations such as the Minnesota Educational Computing Consortium (MECC), Control Data Corporation (CDC), and the University's Center for Instructional Design are each nationally recognized resources in this area.

b. This effort should have some assurance of a specified minimum amount of funding for a multi-year (e.g. five year) period. It requires time to develop the material, make it economical, and have an impact on education.

c. The four centers should be integrated through a central coordinating body. This body might review proposals

establishing these centers, integrate activities across the centers, and ensure that appropriate expertise was involved with each project.

d. This effort should be organized in such a way that the state would recoup some of its investment. For example, courseware might be available at no cost within the state but would be sold at a profit outside the state. Royalties might also be offered as an incentive to those developing the materials.

The conditions which are facing post-secondary education demand a thorough investigation and experimentation of the possibilities of instructional technologies. Minnesota has the experience and resources to lead the way. If we are successful, it will be another ingredient in maintaining Minnesota's competitive edge in post-secondary education.

CHAPTER 9

ENHANCING THE QUALITY OF GRADUATE EDUCATION AND RESEARCH

Recommendations:

- o Recognize the important role played by graduate education and research in the state's economic development.
- o Establish the Minnesota Legislative Graduate Fellowship awards.
- o Establish a Junior Faculty Fellowship Program funded through private sources and institutional reallocation.
- o Establish a seed money matching program.
- o Increase support for equipment purchases.
- o Give special attention to the erosion in library acquisitions.
- o Expand the indirect cost recovery program.
- o Support equipment purchases for applied research and master's level degree programs in the state universities and private colleges.

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When the future of Minnesota higher education is discussed, we detected a tendency -- particularly among the lay public -- to overlook the essential role which graduate education and research play. Not only does research in "high technology" directly support Minnesota's economic development, but strong programs in the humanities enhance our quality of life. To insure the future of our state and region, Minnesota must offer a comprehensive set of graduate programs of world class quality.

The last three years has witnessed an explosion of interest and commitment in bringing the interdependent sectors of graduate education, research, and private industry closer together. Because there is a host of organizations working on

industry-education relationships (e.g., Minnesota Wellspring, Minnesota High Technology Council, University Research Consortium), this Commission makes no specific recommendations on enhancing these cooperative efforts. We strongly support their continued development.

Our recommendations focus on nurturing graduate education and research. The record is clear. Such an investment provides handsome returns in economic development and entrepreneurial activity.

The University of Minnesota is the only public doctoral granting institution in the state. Thus the University has the responsibility to offer the highest quality graduate education and research. To enhance this aspect of its mission, we propose changes focused on the University which will improve the quality of its graduate students, enhance the quality of the graduate faculty, and offer additional incentives to the graduate programs for continued development.

1. We recommend the establishment of the Minnesota Legislative Graduate Fellowships. The quality of graduate students is based on two factors: the reputation of the program and the financial support provided students. The level of financial support which a program is able to offer is a primary recruiting tool. The highest quality graduate programs without exception offer their top students full graduate research support and most of their students at least some aid.

   All top quality research universities have extensive programs of graduate fellowships supported by the institution itself. For example, Princeton has 1,400 fellowships which graduate programs may use to entice students to enroll. Michigan offers over 750 such awards annually and beginning next year is setting asi[illegible] an additional $1 million to provide Regents Fellowships for the best graduate students. In contrast the University of Minnesota only has 85 such fellowships to award each year.

   The Minnesota Legislative Graduate Fellowship program would be a matching program with the University. For each new fellowship created from internal reallocation or private sources, the Legislature would match this amount with a second fellowship the following year. All fellowships would carry this nomenclature as an indication of the support the Legislature attaches to graduate education.

2. We recommend that the Legislature expand its on-going efforts to improve the salary of the University faculty. Within the last two years there have been numerous accounts of universities, both public and private, upgrading their quality by offering faculty large salary increments. We do not think quality can be "bought;" however, we must recognize that the best graduate faculty are in strong bargaining positions, as are "stars" in any field.

   The 1983 Legislature addressed this problem by appropriating funds for retention and merit increases. The University has doubled these funds by matching them with dollars taken from internal reallocation. Few programs have had such a direct impact on restoring faculty confidence in the Governor's and the Legislature's commitment to excellence in education. This program should be retained and expanded.

3. We recommend the establishment of a Junior Faculty Fellowship Program. This program, to be funded from internal reallocation and private sources, would offer young faculty special opportunities to establish their research careers and give them a competitive advantage. Each year a select number of junior faculty would be competitively selected to receive salary and research support. Salary support could come from central administration reallocation, and research support should be raised through foundation sources. This program would not only advance the career of young faculty, but create institutional loyalty. The existence of this program would be an invaluable recruiting tool.

4. We recommend the establishment of a "seed money" fund for new research initiatives. Current University funds available for this program are only one-third and one-sixth of those available at the Universities of Illinois and Wisconsin, respectively. Dollar-for-dollar the state could match the money placed in seed money funds by the University via its own reallocation or private fundraising. These monies will pay handsome returns in economic development and enhanced graduate education.

5. We recommend that the Legislature work closely with the University to develop new approaches for funding the purchase of equipment. Research and graduate programs require special support for equipment. A large portion of these costs are supported by external grants and contracts. However, outside agencies are willing to provide funds only for the latest or most advanced devices. Thus, equipment which used to be "exotic" but is still necessary requires internal funding. This problem is acute in the University and is

quickly becoming an issue in the state universities which cannot readily attract support from federal and private agencies. We encourage the investigation of innovative approaches to funding these purchases such as the use of debt instruments.

6. We recommend that special attention be given to the eroding level of library acquisitions. Up-to-date library materials are a necessity if we expect high quality research. In addition, modern research libraries serve as a valuable resource for private laboratories and business firms throughout the Upper Midwest. Inflation has taken a far greater toll on budgets for library acquisitions than most other aspects of the University's operation.

7. We recommend an expansion of the direct incentive program which the Governor and Legislature established in 1983 for the University to recover a portion of its indirect costs. Although these funds are included in research contracts to offset the overhead costs of utilities, research administration, and the like, these monies are raised by individual faculty. In large measure, the level of state costs which the University is able to offset through these contracts is directly related to the energy and commitment put forth by the individual faculty member. Most public research universities retain most if not all of these funds. An expansion of this program is the most direct way to offer incentives to the departments.

Although the University carries the greater burden of graduate education and research, master's degree programs at the state universities and at several private colleges are crucially important and should be encouraged. In many professional and business careers, a master's degree is an entrance level requirement. As faculty members at the state universities are increasingly being asked to bring to bear their expertise on regional problems, these institutions have accepted an important role in "applied research." Thus a program similar to that recommended above for the University of Minnesota could be adapted to the needs of the state universities and to the private colleges. As these institutions strive to meet the needs for applied research and selected master's programs, we recommend that the Legislature recognize the special equipment and funding needs of these programs.

As the pinnacle of formal education, graduate education and research programs set the standards for the quality of education a state provides. Overall, our state will be well served if it recognizes the special needs of these programs.

CHAPTER 10

LINKING HIGHER EDUCATION TO EMPLOYMENT DEMANDS

Recommendations:

- o Enhance on-going efforts to link projected employment needs with the capacity of educational and training programs to serve employers.
- o Strive to have Minnesota become a national leader in linking higher education to employment demands.

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There are a host of unresolved issues relating to the future demands for skilled labor. It has been persuasively argued that the United States is facing a shortage of highly trained people needed to bolster our nation's move into the information society. Equally persuasive studies can be cited which argue that the real shortage will occur in manual labor and lower level service occupations.

This Commission does not pretend to have the professional expertise to even draw an opinion on these differences. However, the Commission views the pool of trained labor which the state has to offer as one of the most important ingredients of an effective economic development policy. As previously cited, examples can be given from Mississippi, Oklahoma, and South Carolina in which the state's vocational technical institutes set out to educate a workforce with particular skills. In turn, this labor pool was used to attract industrial development to the area. Just as low taxes can improve the economic climate, so too can skilled workers who meet the job needs of firms seeking to expand their operations.

Minnesota must more closely link the employment needs of the state with our educational programs. We must cut down on our "response time" from projected employer need to availability of skilled personnel. If Minnesota can establish a more sensitive, more future-oriented job projection system than other states, we shall have a distinct and important competitive advantage. Moreover, we shall have greater control of our economic destiny.

The Commission is aware of efforts currently under way to improve the quality and accuracy of labor market information for the state. Through the Minnesota Occupational Information Coordinating Committee (MOICC) and the Department of Economic Security, attention has been devoted to gathering data on vacancies and trends in various occupational fields. More recently the Legislature established the Minnesota Job Skills Partnership to promote innovative projects which link educational providers with employers to meet training needs.

Furthermore, the Governor has focused the concern of his cabinet on the issue of linking labor market demands with educational training capacity. At the direction of appropriate cabinet officers, a Job Training Issues Project has been established under the leadership of the Executive Director of the Job Skills Partnership. That project includes representatives from the departments of Economic Security, Energy and Economic Development, Finance, and Public Welfare, State Planning, MOICC, higher education, the Governor's Office of Science and Technology, and such private industry consortia as Minnesota Wellspring, the Minnesota High Technology Council, and the Minnesota Business Partnership. The aim of the project is to recommend development of an improved design for the collection and dissemination of critical labor market information.

While the Commission is encouraged by the creation of the Job Training Issues Project, it believes more needs to be done. Consequently, we recommend the Job Training Issues Project expand its agenda to:

1. Study and monitor the impact which technology is having on the workplace. For example, the United Kingdom has established "technology monitors" which keep abreast of new technologies and their affect on required job skills. With an accelerating rate of technological change, such analysis will be necessary to ensure that we are not reacting to "yesterday's" changes.

2. Build an analytical approach which will permit our state to project its employment needs in the years ahead. We recognize the difficulty (some might argue impossibility), in constructing such a model or projection scheme. However, we have come to recognize the importance of such a tool. Thus we would ask the parties involved to think broadly and do the best job with the latest and most sophisticated analytical approaches known. Simply building an awareness of these challenges and augmenting it with comprehensive demographic and economic data would improve the current situation.

3. Tailor existing educational programs to fit future employment needs based on the findings and conclusions of this on-going project. When necessary, new educational programs could be established. In so doing we should not always assume that these programs will be best placed in traditional post-secondary institutions. Undoubtedly, the future will call for the creation of new post-secondary partnerships and organizations.

In this recommendation we are not arguing for narrowly trained people who are lacking a sound general education. We also are not advocating a tightly controlled mechanism in which we attempt a one-for-one match between job creation and post-secondary graduates. Such an approach has been tried in some northern European countries with little success. Instead, we want to forge a stronger link between education and needed job skills. Success will give Minnesota a competitive advantage.

INTRODUCTION TO SECTION III

This section, organized into seven chapters, contains a brief set of recommendations specific to each system of post-secondary education. Because of their unique roles, a chapter is also included for systems leaders (Chapter 11) and the Higher Education Coordinating Board (Chapter 12). The need for area or regional planning is discussed within the chapter on systems leadership. The section concludes with a chapter on public policy and private higher education.

CHAPTER 11

SYSTEMS LEADERSHIP AND INTERSYSTEM COORDINATION

Recommendations:

- o Raise more private and federal funds for higher education.
- o Develop criteria for appointments to governing boards.
- o Recruit the best possible leadership for higher education.
- o Improve working relationships with the Higher Education Coordinating Board.
- o Ensure full participation of minority persons in post-secondary education
- o Place the Inter-System Planning Council officially under the Higher Education Advisory Council and assign it responsibility for area planning.
- o Establish area planning groups.
- o Retain University of Minnesota-Duluth as a part of the University of Minnesota.
- o Develop a plan of cooperation and full transferability for southwestern Minnesota by January, 1985.
- o Build a post-secondary facility for the "two plus two" program in Rochester when criteria are met.

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The leaders of each of the post-secondary education systems bring to their positions the rare combination of sound academic values and political acumen. Infrequently in the history of Minnesota have we had the high quality of leadership across all systems that we do today. Although there is little doubt that "political" considerations must influence difficult policy

questions, Minnesota is indeed fortunate that political concerns are held to a minimum and typically take a second place to academic principles. Currently the four systems of public post-secondary education are working more cooperatively with each other than at any time in the recent past. The Commission has several recommendations concerning system leadership and intersystem coordination.

First, the Commission recommends that each public system of post-secondary education seek to raise funds from private and federal sources. More energy could be devoted to raising private funds, whether these be earmarked for financial aid, special research projects, or the development of new curriculum. The University of Minnesota, which is one of the top public institutions in fund raising, has recently begun to coordinate its extensive efforts under the President's Development Council. Efforts are also underway in the state universities, the community colleges, and the AVTI's. Community businesses, local foundations, and alumni should be encouraged to support these important educational resources. In the future, the margin of excellence in public post-secondary education will be increasingly determined by the level of private support.

Second, we believe criteria related to the responsibilities of the boards should be used to identify potential board members and final appointments should be based on qualifications. Talented people who are doing a responsible job should not be replaced simply because of their political affiliation.

Third, the Commission recommends that the Legislature and Governor amend the "Minnesota Open Meeting Law" (M.S. 471.705) to allow governing boards of post-secondary systems and their respective search committees to hold closed meetings to discuss the qualifications of those being considered for chief executive positions. Continued educational leadership of the highest quality is essential if Minnesota is to maintain its role as a national leader in higher education. The Minnesota Open Meeting Law as it is now written, makes it impossible to develop selection procedures that guarantee confidentiality to those under consideration. The Commission is concerned that excellent persons do not allow their names to be considered because a public candidacy may have a negative affect upon their current positions. The specific amendment should be modeled after M.S. 471.705, Subd. 1a, which allows for closed meetings to consider strategies for labor negotiations.

Fourth, there is currently a need to improve the working relationships between the Higher Education Coordinating Board and the systems of post-secondary education. We recommend that the

leadership of the post-secondary systems and the Higher Education Coordinating Board improve their working relationship through more active participation in the Higher Education Advisory Council (HEAC). It is through HEAC that the most effective consultations between the Executive Director of the Higher Education Coordinating Board and the system leadership will occur.

Fifth, systems should continue their efforts to ensure that minority persons fully participate in their respective programs. All institutions of post-secondary education should take the lead in involving minority persons from their communities in post-secondary education. The program developed at the Arrowhead Community College Region for Native America Indians is an excellent model for developing similar programs in other areas of the state.

Sixth, the Inter-System Planning Council created by the public systems and comprised of senior executive administrators from those systems should be preserved and a representative from the Private College Council should be added. The Inter-System Planning Council brings together individuals who have intimate working knowledge of their systems and can speak forcefully regarding possible areas of cooperation. Experiences to date with the group indicate that it is an effective mechanism for bringing about needed changes and promoting cooperation. To maximize its effectiveness, it should be tied officially to HEAC and receive its work plan from HEAC.

Further, we recommend that the responsibility for intersystem area planning discussed below be formally assigned to the Inter-System Planning Council. This council should be responsible for reviewing curricular overlap and duplication in geographic areas, developing geographic data bases for use by systems and institutions and monitoring the planning efforts of area groups.

The Commission did conduct a study of cooperation in post-secondary education and discovered that both public and private institutions are cooperating in a variety of ways. While the Commission does not wish to impede this type of cooperative planning, nor institute a new level of governance, area planning is of such importance that the following recommendations should be implemented:

a. The governing boards of each system should direct their institutional officers to develop area planning groups with institutional officers from other systems, out-of-state border institutions, area citizens, and legislators. These groups should closely approximate the geographic areas as delineated by the Inter-System Planning Council and HECB.

b. Area planning groups should annually submit progress reports to the Inter-System Planning Council for review and comments, and each system should include a report of their area planning efforts in their system plans which are mandated by M.S. 135A.

c. 50% of any documented financial savings that occur as a result of cooperative programming should be retained by the affected institutions for program and faculty improvements.

The Inter-System Planning Council and HECB have established geographic areas for purposes of program review: northwest, northeast, central, metropolitan, southeast, and southwest. While some artificial boundaries are necessary for data collection and analysis, geographic boundaries for planning at the institutional level should not be tightly defined because such action would begin to preclude or curtail opportunities for cooperation.

In the course of its deliberations, the Commission had three area issues presented to it: 1) northeastern Minnesota, 2) southwestern Minnesota, and 3) southeastern Minnesota. While it is appropriate to comment separately on these items, comments should be viewed in light of the Commission's overall orientation toward the need for area planning.

Northeastern Minnesota

In his testimony before the Commission, Governor Perpich asked that we consider a proposal to separate the University of Minnesota-Duluth from the University of Minnesota and combine it with the five Arrowhead community colleges to create a comprehensive university for the northeastern region of the state.

The Commission did find great support for continuing the cooperative efforts between UMD and the five colleges of the Arrowhead Community College Region and for relating UMD's programs to the economic needs of the region. However, we found no support for the specific proposal among administrators, faculty, students, and the citizens of the region for the separation of the University of Minnesota-Duluth from the University of Minnesota.

The University of Minnesota-Duluth is a multipurpose institution with both a regional and statewide mission. The teaching, research and service connections that come with being part of a land grant system are essential if UMD is to fulfill its broad

mission. Separation from the University of Minnesota system would certainly diminish UMD's ability to be a multipurpose institution and would limit its contributions to the nation, state, and region.

Various people at the public meeting the Commission held in Duluth, commented on the need to improve the working relationship between UMD and the central administration in the Twin Cities.

The Commission recognizes that changes are needed to allow the University of Minnesota-Duluth and other coordinate campuses to develop and grow as distinct campuses.

The Commission recommends greater authority and better communication between the University of Minnesota-Duluth and the central administration on:

a. budget and funding

b. promotion and tenure

c. legislative requests

d. curriculum decisions

e. hiring of administrators and staff

f. chief administrative officers at coordinate campuses should be included in cabinet type meetings the president holds with his vice presidents.

Southwestern Minnesota

The southwestern region of Minnesota has experienced a sharp decline in the number of traditional age college students that will continue into the early 1990s. At the same time, the older non-traditional student population (over 25 years of age) is anticipated to increase. Additionally, the increase in elementary school enrollments envisioned in the state during the late 1980s are not projected to be as rapid in southwestern Minnesota as they are in other regions of the state. Thus it will be difficult for institutions in the southwestern region of the state to meet the goals of accessibility, quality and diversity while sustaining cost effective educational programs.

The regional identity for post-secondary education in southwestern Minnesota centers on Southwest State University, Worthington Community College, and the area vocational technical institutes at Canby, Granite Falls, Jackson and Pipestone. These institutions have the ability, and indeed the obligation, to develop cooperative measures to ensure that vocational training, associate of arts and baccalaureate degree programs and lifelong learning opportunities are available and attractive to the citizens of the region.

In order to preserve the balance between quality, access and diversity, southwestern Minnesota needs a new orientation, if not a new framework, for post-secondary education. Communications and involvement in decision-making in the region has at times broken down; this has led to a climate in which merging of institutions would be counter-productive and not produce a regional identity or greater utilization of educational resources.

The four AVTI's have developed a Joint Powers agreement which formalizes their cooperative efforts and serves as a base for their cooperation with Southwest State University and Worthington Community College. Some cooperative programming and planning has occurred between Southwest State University and Worthington Community College. However, more is needed; the survival of the existing level of educational opportunities for citizens in the southwest depends upon Worthington Community College and Southwest State University developing a close working relationship.

The Commission recommends that the Governing Boards, Chancellors and Directors of the six institutions in southwestern Minnesota carry out the "Plan of Action to Provide for Cooperation", which was drafted in September, 1983.

The plan should provide full articulation of academic programs so students are able to transfer freely among the institutions in the region. The plan should also consider a broad range of cooperative efforts to reduce fixed administrative costs.

In developing this plan, the institutions should consider various mechanisms such as sharing computer services, sharing library and instructional resources, sharing administrative and instructional personnel, using common catalogs, using more interactive technologies, and other such measures. Additionally, institutions should eliminate duplication of programs.

Southeastern Minnesota

In his testimony before the Commission, Governor Perpich asked that we give serious consideration to expanding the public four-year degree programs in the Rochester area.

After careful study, we make the following recommendations:

1. There is definitely a need to expand the baccalaureate degree programs being offered in the immediate Rochester vicinity and to improve the facilities in which they are offered. Population projections identify Rochester as a growth area and it is anticipated that the demand for baccalaureate degree programs already demonstrated in the community will continue to increase in the future.

2. The Rochester community, the State University System, the Community College System, the University of Minnesota, and the Higher Education Coordinating Board support the proposed construction of a new facility on the Rochester Community College campus which would house the final two years of baccalaureate degree programs offered by Winona State University. The Commission does not want to stand in the way of this "two plus two" proposal, for it will satisfy at least the short term needs of the community.

   Thus, we recommend that the state build a facility for a "two plus two" program as long as the following criteria are satisfied:

   a. Prior to final approval of a building, a comprehensive curricular plan for the "two plus two" program must be presented by Winona State University and Rochester Community College.

   b. Programming scheduled for the new facility should demonstrate meaningful cooperation across all four public systems of post-secondary education. An investment in the future calls for the establishment of a "post-secondary facility" rather than the more traditional building used exclusively by one system -- as was so often done in the past.

   c. Rochester Community College should consider offering some of its technical courses in Winona. It is our assumption that the high demand technical courses offered in Rochester would also be sought after in Winona. Just as Winona State University would like to

offer its expertise in the Rochester area, we believe that similarly Rochester Community College should serve the Winona area.

3. The "two plus two" program only partially satisfies the educational needs in Rochester. Thus the Legislature should constitute a task force to develop a comprehensive long range plan to meet the undergraduate and graduate technical education needs in Rochester. The Commission suggests that the task force be composed of one representative from each of the four public post-secondary education systems, one from the Private College Council, one state senator, one state representative, and four citizens to be appointed by the Governor.

   As one strategy in the comprehensive long range plan, the task force should consider developing a four-year baccalaureate technical degree institute. Minnesotans can attend the University of Wisconsin-Stout in Menominee, Wisconsin, for baccalaureate technical degree programs. However, we should not totally rely on programs in other states to meet this critical educational and economic need. Rochester Community College has a strong set of technical programs and could serve as the foundation upon which to build four-year technical degree programs; the Rochester AVTI is another possibility.

   Additionally, as part of the comprehensive long range plan, the role of the University of Minnesota should be reviewed to determine if the courses it offers are appropriate and whether non-credit courses might be better offered by other institutions. The University should expand offerings in fields only it can provide.

CHAPTER 12

RECOMMENDATIONS SPECIFIC TO THE HIGHER EDUCATION COORDINATING BOARD (HECB)

Recommendations

- o Build closer ties with higher education systems.
- o Request each system governing board and the Private College Council to add a non-voting member to HECB.
- o Use extreme caution in presenting and interpreting enrollment projections.
- o Follow specific procedures in conducting policy studies.
- o Study and assess retention rates in baccalaureate degree programs.
- o Spell out all assumptions underlying studies.
- o Give preference to those with institutional experience when hiring new staff.
- o Extend the terms of HECB Board members to six years.
- o Appoint a currently enrolled student to HECB.

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In approaching the future of Minnesota post-secondary education, the Higher Education Coordinating Board (HECB) plays a pivotal role. Statutorily HECB has been charged with the responsibility to:

> Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto.
>
> (M.S. 136A.04)

Given this broad responsibility, it can be expected that HECB will engender controversy. Fulfilling its responsibilities requires that the agency examine complex issues for which simple solutions are rarely available.

Thus, it is not surprising that the Commission heard recommendations for the abolishment of the Higher Education Coordinating Board. Yet testimony taken from state legislators pointed to the important role which HECB has taken on as an independent voice about the future of post-secondary education. Further, the Commission salutes HECB for its part in developing average cost funding and other changes enacted by the 1983 Legislature (see Chapter 2). The Commission therefore supports the important role of HECB and feels that the state would create such an agency if it did not exist.

At the same time, we concluded that in the recent past the level of "creative tension" between the post-secondary systems and HECB is dysfunctional. Some will argue that creative tension is necessary if any true cooperation and coordination is to occur. We believe that true progress occurs when points of conflict and differences of opinion are "pre-negotiated" so that compromises can be worked out. Although difficult decisions require pressure to act, the era of constraint facing higher education will provide this impetus.

We recommend that HECB consciously seek to build closer ties with higher education. The Commission is concerned with the many different representatives systems send to HECB board meetings. Hence, we debated the option of adding the head of each system (i.e., Chancellors, President) to the Board. We rejected this because the Board would find it difficult to take a stance against system wishes. Thus, to foster closer ties with the post-secondary systems, we recommend that HECB request each governing board to designate one of its members as a permanent, non-voting member of HECB.

Recent studies and controversy remind us that the lines of authority and responsibility between HECB and system governing boards occasionally have become blurred. HECB should be a catalyst for change which coordinates data collection required for policy analysis and planning. However, with the responsibility for governing post-secondary education placed squarely and unambiguously with the system boards (see Chapter 2), any encroachment on this governing authority erodes cooperative relationships.

In deciding which studies to undertake, HECB should be an agent for collecting and disseminating comparative information.

Studies and policy recommendations should be on issues which cut across systems, such as the awarding of credit and the transferability of coursework. With the enrollment pressures of the next decade, HECB can play a needed role as a "consumer watchdog" to ensure that institutions are accurately representing their programs. HECB should not be involved in studying issues of governance which apply to a single system, such as campus or program closings.

The collection of statewide data on higher education will take on added importance in the years ahead. Currently this large, complex task suffers from the lack of precise definition of the data elements. Other gaps also exist. For example, it is not possible to determine accurately the percentage of high school graduates who, immediately after graduation, enroll in higher education. The best measure available tabulates the percentage using the total number of people enrolling in the fall, regardless of what year they graduated from high school. Our concerns about the uses of the enrollment projection model are spelled out in Chapter 2. We recommend that extreme caution be used in presenting and interpreting long range enrollment projections. Enrollment projections beyond five years are necessary but highly speculative. HECB should incorporate more assumptions into their projection model, such as anticipated increases in participation rates, enrollment of out-of-state students, and more sophisticated measures of the participation of adult learners.

Additionally, HECB should study the retention rate in baccalaureate degree programs to determine what percentage of entering students graduate and assess whether this rate can be improved.

HECB should reexamine its practices for conducting studies and ensure that the following procedural and methodological conditions are met:

-- Outlines of proposed studies including methodology and staff should be presented to systems for review and comment with at least a two week period for feedback;

-- Data analysis should be reviewed with appropriate system representatives;

-- Draft reports should be distributed to the systems for review and comment with at least a two week period for feedback;

-- The past practice of establishing ad-hoc advisory committees comprised of representatives from the post-secondary systems to assist in the development and use of data bases should become a standard procedure for HECB.

HECB must build positive as well as questioning attitudes about higher education. Most studies put forward only the problems encountered without citing the accompanying strengths. In the past HECB recommendations have been improperly interpreted because the assumptions and context of the study were not clearly delineated. It is incumbent on HECB "to prepare the way" for its reports and handle them with public relations acumen.

HECB has done an excellent job of building a state scholarship and grant program, such that Minnesota can be proud of having one of the best programs in the nation. The Commission also supports the leadership role which HECB played in developing the shared responsibility formula for determining eligibility for state scholarships and grants. The Commission has raised the question of whether HECB should continue in its dual role of policy development and direct service to students. Specific recommendations on this issue are dealt within Chapter 6 on student financial aid.

We recommend that the length of appointment to HECB should be extended from the current four year term to a six year term, with approximately one-third of the Board being appointed every two years. Many of the matters under consideration by the Board are complex and not easily understood without considerable background and experience (e.g., financial aid policies). Staggered terms of six years would give HECB additional continuity and ensure that needed expertise is available on the Board. (This recommendation would require modification of M.S. 15.0575.)

We also recommend that one of the at-large appointments to the Board be permanently designed as a "student position." The perspectives that a student would bring to the Board's deliberations would enhance the decision-making process. Student membership on the Board of Regents, State University Board, and Community College Board has served the state and its students well. The student member is to be considered a full board member in every way. However, because the status of students is apt to change over a six year term, we recommend that the student position have only a two-year term. (This would require modification of M.S. 13.135A02.)

The Commission is cognizant of the perception that HECB's policy recommendations have not always considered the complex realities of managing institutions of higher education. Thus we recommend that as staff vacancies occur, search procedures give priority to qualified candidates with institutional operating experience. Yet HECB cannot live up to this mandate if its salary scales are not attractive.

In summary, a successful HECB will require that the post-secondary systems recognize the need for the role which HECB plays and therefore facilitate its work. In turn HECB must recognize that creative tension in the form of adversarial relationships is not always the best way to achieve progress, particularly in Minnesota with its heritage of reasoned debate and bipartisan attitude in solving problems.

CHAPTER 13

RECOMMENDATIONS SPECIFIC TO THE UNIVERSITY OF MINNESOTA

Recommendations:

- o Upgrade University research and graduate programs.
- o Keep the University accessible to metro area students.
- o Continue to serve statewide needs.
- o Provide resources for recruiting top faculty.
- o Preserve the policy and spirit of institutional autonomy.

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As support eroded during the state's financial crisis, the University of Minnesota did a most creditable job of reexamining priorities, reallocating resources, and adjusting operations to incomes. However, quality has suffered and there has been a decline in relative standing of some departments and colleges. This trend should be reversed. As the state's land grant, and foremost graduate research institution, the University must continue to set the standards of quality for the state. No longer can we set our standards of quality relative only to other states, but we must consider them in an international setting. That is where our businesses must compete and where our people must be equipped and prepared to function. It is in the best long term interest of the state to have the highest quality graduate and research programs.

Officials in state government and educational administrators throughout the country recognize the effectiveness of the strategic planning process in use at the University of Minnesota. The University based necessary cutbacks on detailed programmatic priorities. Current task forces have studied how to concentrate on what the University does best and what only it can do.

Because the University is the only public four year institution in the Twin City metro area (we think of Metro State as a

special purpose school) it serves as the only public source of upperclass baccalaureate degree programs for high school graduates for half the population of the state. The University must continue to be accessible to metro area students. While fulfilling that responsibility it must also be sensitive to its essentiality to the entire state.

The University plays a pivotal role in fostering economic development. We applaud its appointment of a task force on economic development and endorse its recommendations for direct involvement in programs and organizations seeking to create new jobs and foster business growth. Like performing artists with special talents, the research faculty at the University possess extraordinary knowledge in specialized fields. We urge the faculty to continue to reach out to the diverse regions of the state, as is being done through the Agricultural Extension Service and the University Research Consortium.

The Commission asks the Legislature to recognize the extremely competitive climate which is developing across the country for talented faculty members. To attract the best, we must be the best in salaries, in quality of students, and facilities and programs. It is evident our people want a top football coach, but they also want and need top teachers, scholars, and research scientists, and none come cheap.

The University has done an excellent job in private fund raising, regularly ranking among the top ten of all private and public educational institutions in the country. We urge the Legislature to let private monies raised and income from endowments be used for program catchup and enrichment, not in lieu of legislative appropriations.

Finally, we urge the Legislature to rely on its appointive power of the regents to influence University direction and not to violate the wise policy of constitutional autonomy by projecting itself into internal administration.

CHAPTER 14

RECOMMENDATIONS SPECIFIC TO THE STATE UNIVERSITY SYSTEM

Recommendations:

- o Concentrate on:
  - Providing quality undergraduate liberal arts education along with offering a broad range of majors;
  - Providing educational and cultural resources to their region;
  - Differentiating missions between campuses.
- o Provide quality and non-traditional programs for adult learners.
- o Expand role in applied research and develop closer ties with business and industry.
- o Develop by January, 1985, a cooperative plan for the five state universities and AVTI's in co-locations.

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Since 1858, a major characteristic of the state universities in Minnesota has been their willingness to respond to new opportunities and changing circumstances. In the evolution from normal schools to teacher colleges, from state colleges to state universities, the state universities have consistently reviewed their programs and services and developed new offerings and new delivery systems to serve the educational needs of the citizens of their region and of the state. This tradition of anticipating change as well as adapting to it is a major asset of the state universities.

The seven state universities have developed into primarily undergraduate teaching institutions offering diverse programs with a distinguished tradition of preparing students for a variety of professions and careers in areas such as teaching, human services, accounting, business, agriculture, science,

journalism, and computer science, to name a few. Additionally, the state universities selectively offer graduate programs and are assuming a larger role in applied research.

Historically, the state universities have had a strong commitment to their regional service mission which is twofold: 1) the obligation to provide educational programs to the residents of the region, and 2) the obligation of each university to serve as a cultural, intellectual, and technical resource to the individuals, government, civic agencies, and industries in its region. Testimony at the Commission's public hearings pointed out the integral role which each of the six outlying campuses play in the intellectual as well as the economic life of its community. The state universities are set apart from other post-secondary institutions by their flexibility, teaching mission, program diversity, and regional identification and commitment.

The challenges to be confronted by the state universities across the next decade will call for a careful examination and differentiation of their missions. There is no doubt that each state university must reaffirm and maintain its commitment to offering academic programs and support services of the highest possible quality. To this end, private and state funds must be found to provide for faculty and staff development to assure the existence of an exciting, vital learning environment for students.

The state universities need to strengthen the liberal arts core of their baccalaureate programs as they have the responsibility to teach students to think as well as do. At the same time, each university must examine its range of offerings and consider the possibility of developing specialized programs that are not duplicated at other institutions. The existence of specialized programs will provide each university with unique offerings which will set them apart from their peers. Not every state university has to, nor should, do all things. For example, just as St. Cloud and Mankato were selected to offer engineering programs, other high tech fields might be offered at only a few of the institutions.

The state universities should be aggressive in designing and offering quality and non-traditional programs for the adult learners. In particular, we feel that the Metropolitan State University serves as a national model for time-free, space-free education with an excellent reputation for thorough assessment of student achievement. Metro State should maintain its distinction as a non-traditional upper division institution.

The state universities should actively explore closer ties with business and industry. Such relationships would enable the

universities to meet more effectively the economic challenges of the next decade and assume a larger role in applied research aimed at solving problems in their regions. It should be recognized that an expansion of the state universities' role in applied research will require additional resources which should be viewed as an investment in the economic well-being of the state.

More new technology should be used for instructional programs. With the explosive growth of computer technology, the state universities must prepare their students to work with and understand the implication of high technology. Efforts should be devoted to develop private and state funding for expansion of high technology instructional delivery systems.

We support the efforts initiated by the State University System to develop and implement a strategic planning process. The challenges laid out in this report are only one small testimony to the importance of having such a process in place and the Commission would hope that the above issues would be addressed through strategic planning.

The five state universities with area vocational technical institutes located in the same communities should develop a plan for administrative cooperation for submission to their governing boards by January, 1985. The planning process mandated in the past legislative session for community colleges and area vocational technical institutes located in the same communities has produced excellent results and should serve as a model for state universities' and area vocational technical institutes' planning efforts.

CHAPTER 15

RECOMMENDATIONS SPECIFIC TO THE COMMUNITY COLLEGE SYSTEM

Recommendations

- o Intensify efforts to provide opportunities to those who would not otherwise consider continuing their education.
- o Reaffirm mission to be responsive to community needs.
- o Continue cooperative efforts with other higher education institutions.

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In the 20 years of its existence, the Community College System has demonstrated that its institutions are essential to increasing participation in post-secondary education. A six fold enrollment growth during that period indicates a significant expansion of educational opportunities in Minnesota. Furthermore, data on community college student bodies point out that these institutions have succeeded in reaching a comparatively greater proportion of the older, part-time, and "non-traditional" students than the other post-secondary systems. Given this track record and the location of these institutions at strategic sites around the state, community colleges are a critical component of Minnesota's commitment to lifelong learning.

As part of its overall recommendation that the state significantly increase the proportion of high school graduates going on to post-secondary education, we urge the community colleges to intensify their efforts to provide opportunities to those who would not otherwise consider or hope to achieve such an education. Serving individuals with varying interests, aspirations, and abilities must continue to be central to the community college mission. Adherence to that mission is one of the best guarantees that Minnesota will have a competent citizenry to respond to the challenges of an increasingly complex world.

Also in accordance with their mission, community colleges have stressed historically their commitment to responding to the needs of their local service areas. They have attempted to

organize their resources flexibly enough to respond in a more timely manner than is often possible for the University of Minnesota or the state universities. This community orientation must be continued and reinforced if post-secondary education is to remain responsive to change at the grassroots level. For a great many Minnesotans, community colleges - along with the area vocational institutes - will be the primary means for educating themselves for the career and life transitions which the future holds.

The Commission is aware of suggestions proposing the merger of community colleges and area vocational technical institutes into a single system. Most states have adopted a configuration which combines post-secondary vocational education and lower division liberal arts in a single system of two-year institutions. Minnesota, however, has not chosen to do so, and as a result two separate educational traditions have evolved.

Certain differences exist between these two groups of institutions in addition to governance - funding, faculty orientation, curriculum scheduling, and collective bargaining agreements. These differences cannot be dismissed lightly, and the consequences of trying to overcome them must be examined carefully over the next several years.

Cooperation thus seems a wiser course to pursue than merger. The Legislature has recognized this in its directive to the community colleges and AVTI's to develop joint plans for cooperative activities in those areas where their campuses are proximate. Furthermore, the creation of the State Board for Vocational Technical Education by the Legislature lends for the first time an unprecedented degree of policy direction for guiding cooperation with the community colleges. That new governance arrangement as well as the legislative directive on cooperation deserves time to demonstrate what can be accomplished. Consequently, the Commission underscores these two legislative actions with its own call for greater cooperation as the most promising, practical approach to making the best possible use of the resources of the state's two-year institutions.

In other sections of this report, we have addressed cooperation between community colleges and four-year institutions, principally with the state universities in southwestern and southeastern Minnesota. It seems appropriate here to encourage such cooperation. The community colleges already stress interinstitutional cooperation in their mission statement as an outgrowth of their community orientation. As such then, community colleges should be the bridges by which more post-secondary opportunities become available to our citizens.

CHAPTER 16

RECOMMENDATIONS SPECIFIC TO THE AREA VOCATIONAL TECHNICAL INSTITUTES

Recommendations

- o Evaluate 1983 change in AVTI governance.
- o Develop by January, 1985, a cooperative plan for the five AVTI's and state universities in co-locations.
- o Study possibilities of merging Wadena, Staples, and Brainerd AVTI's.
- o Merge AVTI adult and post-secondary vocational education programs.

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The instructional programs and services offered through the state's thirty-three Area Vocational Technical Institutes are directly targeted toward providing the occupational preparation needed by the citizens and economy of Minnesota. In support of this mission, the Commission recognizes the need for post-secondary vocational education to become a "full-fledged partner" in post-secondary education in Minnesota. This thrust is in recognition of the need for increased intersystem cooperation, the need for a more universal perception that each AVTI serves Minnesota and neighboring states, and the need for governance stability. Another broad thrust of this report is to promote life long learning. AVTI's will need to respond to the future demand for assisting greater numbers of people to update, upgrade, and retrain in their current occupation and respond to job openings in new and existing occupations.

On January 1, 1984, the governance structure of the Area Vocational Technical Institutes was changed so that these institutes are governed, like the other post-secondary systems, by their own board. One difference keeps the Area Vocational Technical Institutes dissimilar from the other post-secondary systems; the institutes are administered by the local school board. Though the Commission has considered recommending full governance responsibilities under the new vocational board, we

viewed this option undesirable and untimely due to the recent governance change. We recommend that the State Board for Technical Vocational Education monitor the governance of the thirty-three vocational technical institutes to see if the current structure enables the system to become a full-fledged partner. The specific areas that need to be monitored are salary structures, hiring policies, and system wide planning. Further, in order for the current governance structure to be considered successful, there should be an observable perception by school districts and the general public that AVTI's are responsive to regional and statewide occupational training needs and not the local interests of a single school district. We recommend that school districts which contain AVTI's restructure their policies to differentially address K-12 and AVTI purposes.

Another thrust of this report has been to promote and reinforce inter- and intra-system cooperation. The Commission has been pleased to find the variety and amounts of inter- and intra-system cooperation that have occurred to date. The Joint Powers Agreement recently signed by four AVTI's in southwestern Minnesota is a good example of a formal organizational cooperative mechanism. Since most of the cooperation has begun to occur only recently, the Commission recommends that planning between the AVTI's and community colleges be expanded to include the state universities and University of Minnesota. Rather than mandating cooperation, legislation could most effectively be targeted to providing incentives for joint planning and monitoring results. The AVTI's and state universities in co-location should develop a plan for administrative cooperation by January, 1985.

We recommend that the AVTI Board in consultation with local community leaders, study the merging of AVTI's in Staples, Wadena, and Brainerd. Although the Commission recognizes that the missions of these AVTI's vary, we feel there is a potential for improved efficiencies and economy if they were merged into a single institution located at three different sites. The Commission further recommends that other possible mergers be studied.

The AVTI's should more aggressively respond to the occupational upgrading, updating, and retraining needs of individuals. An older workforce and the changing requirements of occupations will require the AVTI's to be more sensitive to the knowledge, skills, and abilities that will be increasingly fundamental to a larger proportion of jobs and be responsive to changing job requirements. This type of responsiveness can significantly increase the number of Minnesotans who have received some form of post-secondary education. The Commission recommends that the AVTI adult and post-secondary vocational education be integrated in order that programs may be offered to individuals commensurate with their occupational needs, their need for alternatives in training delivery, and their need for flexible training schedules.

CHAPTER 17

RECOMMENDATIONS SPECIFIC TO PUBLIC POLICY AND MINNESOTA PRIVATE HIGHER EDUCATION

Recommendations:

- Continue cooperation between public and private institutions.
- Preserve the quality in both the public and private sectors of post-secondary education.

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Minnesota has long possessed one of the finest assemblies of private, liberal arts colleges and universities in the United States. In recent months, the quality and reputation of these institutions was evidenced by the fact that five Minnesota private colleges and universities were ranked among the top institutions, public or private, in a recent national survey published by U.S. News and World Report.

Private post-secondary institutions in Minnesota are one of the state's most important resources. Private institutions are net importers of students into the State of Minnesota and many of these individuals become permanent residents and contributors to the state's economy. These institutions provide significant service to Minnesota residents and the state's economy, and they do so at a minimal cost to the state's taxpayers.

Minnesota has recognized these contributions since the early 1970's through funding of the Private College Contract, the State Scholarship and Grant Program, and the work of the Higher Education Facilities Authority. Statutory language for the Private College Contract stated "that providing for the education of additional Minnesota residents in private colleges, rather than in state institutions of higher education, would result in a savings of tax moneys." Though funding for this program was terminated in 1983, statutory language of this kind remains.

As the number of high school graduates declines over the next decade, it is important to consider the effects on private

institutions. These colleges and universities are reliant upon this age group for the vast majority of their enrollment and funding.

These factors have led this Commission to recommend in Chapter 6 that the full intent of the Shared Responsibility Model of the State Scholarship and Grant Program be fully funded beginning July 1, 1985.

Furthermore, this Commission heartily endorses the efforts of the private and public colleges and universities to foster cooperation between their institutions. The Commission heard testimony regarding programs of this kind operating in northwestern and southwestern Minnesota as well as within the metropolitan Twin Cities area.

In short, this Commission recommends that adequate state support be provided to preserve the utmost quality in both the public and private sectors of post-secondary education.

Summary of Recommendations of the Commission on the Future of Post-Secondary Education

There are no simple prescriptions for shaping the future of Minnesota's higher education. When the Commission began its work, the state was in a fiscal crisis and huge declines in post-secondary enrollments had been projected. Some called for the closing of institutions. Fortunately, the financial situation has eased and the enrollment projections were found to be overstated and have been modified. The Commission therefore, has not found it necessary nor advisable to recommend closing institutions at this time.

We do not mean to say that closings may never be necessary. We believe that system governing boards have the authority to act when the facts justify and that they are sufficiently alerted to the situation. We recommend that the governing boards now actively pursue the possibility of merging institutions.

The major thrust of our report is that systems of post-secondary education have effective leadership and administration, and that we are fortunate to have the educational structure, public and private, now in place. This tremendous asset should be employed to reach a higher percentage of high school graduates and the general population. We should also reach out beyond our state borders to attract a greater number of the best students from other states. We are confident that many will choose to stay here and add to our pool of highly skilled and motivated workers, the most important factor in keeping and attracting desirable industry and contributing to our economic and social well being.

The Commission's report contains a large number of specific recommendations that speak to these issues. They are as follows.

Section I

Chapter 1: A Mission for Minnesota Higher Education

The Commission recommends that the Governor and Legislature:

- Adopt "A Mission for Minnesota Higher Education" which defines the foundation of higher education to be a balance among the principles of quality, access, and diversity.

- Set goals for attaining the highest quality education possible; increasing the number of citizens who participate in education; maintaining a broad mix of faculty and students; having the most highly trained workforce in the world.

Chapter 2: Governing Board Authority: Closing, Merging, and Consolidation

The Commission recommends that the Governor and Legislature:

- Monitor the initiatives enacted by the 1983 Legislature which laid the groundwork for a new era in Minnesota's higher education.

The Commission recommends that system governing boards:

- Not close any institutions at this time.
- Develop criteria and procedures for reviewing the scope, mix, and costs of programs and be prepared to act to maintain the balance among quality, access, and diversity even if this requires eliminating programs.

Section II

Chapter 3: Building a Stronger Link with Secondary Education

<u>To Recognize and Reward Academic Performance</u>,

The Commission recommends that the Governor and Legislature:

- Establish a Tuition Credit Program as an incentive for high school students to take courses beyond the minimum recommended for high school graduation.
- Establish a Governor's High School Scholar Program which includes:
  1. sending a letter of commendation to juniors in the top 10% of their class;
  2. awarding a $200 tuition voucher and a certificate of commendation to seniors who graduate in the top 5% of their class.

The Commission recommends that the governing boards and system leaders:

- Expand the accessibility and the number of summer school programs which are offered to academically distinguished high school students.

To Increase the Percentage of High School Graduates Who Attend Post-Secondary Education,

The Commission recommends that the Governor and Legislature:

- Set a goal for the state of increasing the proportion of high school graduates who attend post-secondary education from 55% to 80%.

- Establish a Post-Secondary Career Guidance Program which funds 75% of the cost of a school district's post-secondary counseling service.

- Consider providing free tuition at public institutions or vouchers of comparable worth to private institutions for the first two years of post-secondary education.

Chapter 4: Marketing Post-Secondary Education for Lifelong Learning

The Commission recommends that the Governor and Legislature:

- Provide a one-time, $250 self-improvement grant to citizens over twenty-five who enroll in higher education for the first time.

The Commission recommends that the Governor:

- Establish a Governor's Education Council to recognize employers who provide incentives for their employees to enroll in higher education.

- Include a segment on Minnesota's higher education in the Department of Energy and Economic Development's marketing campaign for the state.

- Direct the Department of Energy and Economic Development to examine the feasibility of offering tax incentives to businesses for encouraging their employees to enroll in post-secondary education.

The Commission recommends that the Higher Education Coordinating Board and the systems:

- Undertake a coordinated marketing campaign for higher education in Minnesota.
- Operate a toll-free hotline through which potential students can receive information on post-secondary education.
- Encourage businesses to seek accreditation for more of their educational programs; encourage post-secondary institutions to market more of their educational services to businesses.

Chapter 5: Tuition Policies

The Commission recommends that the Governor and Legislature:

- Set tuition at a level no higher than the highest tuition rate charged at institutions in our bordering states.
- Recognize that tuition charges may limit access to selected programs; remember that the proportion of instructional costs paid by students (32%) is an arbitrary figure.
- Adopt a policy which limits the amount that tuition can increase in any single year.
- Grant immediate resident tuition status to out-of-state students who graduated in the top 15% of their high school class.
- Grant resident tuition status to all out-of-state students after they have been enrolled full-time in Minnesota for one year.
- Include all credit bearing courses when determining average cost funding enrollments as is recommended by the Interim Task Force on Average Cost Funding.

Chapter 6: Student Financial Aid

The Commission recommends that the Governor and Legislature:

- Fund the "full cap" of instructional costs for private institutions beginning July 1, 1985.

- Increase the number of resident tuition grants available to international students who do not receive financial aid from their own governments.

The Commission recommends that the Higher Education Coordinating Board:

- Establish a task force to explore ways to improve the delivery of state scholarships and grants.
- Operate a toll-free "hotline" for students with questions on financial aid.
- Examine financial aid programs to ensure that they meet the needs of older, part-time, and independent students.
- Contract an independent auditor to determine if the uniform needs analysis discriminates against those with farm or business assets.

Chapter 7: Developmental and Remedial Education

The Commission recommends that governing boards and system leaders:

- Continue to offer developmental/remedial programs to maintain access and ensure that students will be qualified to complete their programs with high levels of skills.
- Expect students to pay a larger percentage of instructional costs for developmental/remedial courses than they would for other credit bearing courses.
- Develop, in conjunction with leaders from secondary education, minimum competency standards for high school graduates and better methods of informing high school students about the skills needed to succeed in post-secondary education.

Chapter 8: Establishing Demonstration Centers for Instructional Technology

The Commission recommends that the Governor and Legislature:

- Establish four Technology Demonstration Centers to develop and deliver higher education learning materials; locate the centers in the northeastern, southeastern, southwestern, and metro areas.

- Appropriate $250,000 per year for each center with the stipulation that this amount be matched by industry and the educational institutions which are involved in each center.

Chapter 9: Enhancing the Quality of Graduate Education and Research

The Commission recommends that the Governor, Legislature, and University of Minnesota:

- Establish the Minnesota Legislative Graduate Fellowship Program and match new fellowships created from internal reallocations by the University of Minnesota.
- Expand on-going efforts to improve the salary of University faculty.
- Match the money placed in seed money funds by the University for new research initiatives.
- Work closely with the University and state universities to develop new approaches for funding purchases of equipment.
- Expand the direct incentive program to allow the University to recover a greater portion of its indirect costs.
- Support equipment purchases for applied research and master's level degree programs in the state universities and private colleges.
- Offer salary and research support to select faculty through a Junior Faculty Fellowship.
- Give special attention to the eroding level of library acquisition for graduate and research programs and increase library budgets if necessary.

Chapter 10: Linking Higher Education to Employment Demands

The Commission recommends that the Governor and Legislature:

- Enhance on-going efforts to serve employers by linking educational programs to job needs.
- Seek to make Minnesota a national leader in linking higher education to needed job skills.

Chapter 11: System Leadership and Intersystem Coordination

The Commission recommends that the Governor and Legislature:

- Develop criteria for identifying potential board members and base appointments on qualifications.
- Amend the Minnesota Public Meeting Law to allow public post-secondary systems to seek the best possible leadership without jeopardizing current positions because of a lack of confidentiality in the search process.
- Retain the University of Minnesota-Duluth as a part of the University of Minnesota.
- Fund a post-secondary facility in Rochester for the "two plus two" program provided that adequate curricular planning is completed; establish a task force to study long range educational needs in Rochester.

The Commission recommends that the governing boards and system leaders:

- Raise more funds from private and federal sources to provide their institutions an added margin of excellence.
- Improve the working relationship with the Higher Education Coordinating Board by participating more actively in the Higher Education Advisory Council.
- Continue efforts to ensure that minority persons fully participate in post-secondary education.
- Place the Inter-System Planning Council officially under the Higher Education Advisory Council and formally assign it the responsibility for intersystem area planning.
- Establish area planning groups which will retain 50% of any savings for cooperating institutions.
- Improve the communication between the University's central administration and the coordinating campus at Duluth.
- Develop by January, 1985, a plan for cooperating and transferring credits in southwestern Minnesota.

Chapter 12: Recommendations Specific to the Higher Education Coordinating Board (HECB)

The Commission recommends that the Governor and Legislature:

- Extend the length of appointment to HECB from four years to six years, staggering terms so that one-third of the appointments are made every three years.

- Designate one of the at-large appointments to HECB as a student position with a two year term.

The Commission recommends that the Higher Education Coordinating Board:

- Request each governing board to designate one of its members as a permanent, non-voting member of HECB as a means of building closer ties between the systems of higher education and HECB.

- Improve the methodology used to study and analyze higher education by:

  1. using extreme caution in presenting and interpreting enrollment projections;
  2. following specific procedures in conducting policy studies;
  3. spelling out all assumptions underlying studies.

- Give preference to candidates with institutional operating experience when filling staff vacancies.

- Study the retention rate of students in baccalaureate degree programs and assess whether that rate can be improved.

Chapter 13: Recommendations Specific to the University of Minnesota

The Commission recommends that the Governor and Legislature:

- Increase the salaries of talented faculty members in order to retain them.

- Preserve the policy and the spirit of institutional autonomy.

- Reverse the slippage in the quality of research and graduate programs.

The Commission recommends that the University:

- Remain accessible to students from the metropolitan area.

Chapter 14: Recommendations Specific to the State University System

The Commission recommends that the state universities:

- Concentrate on:
  1. providing quality, undergraduate liberal arts education along with a broad range of majors;
  2. providing educational and cultural resources to their regions;
  3. differentiating missions between campuses.
- Offer quality and non-traditional programs to adult learners.
- Expand their role in applied research and develop closer ties with business and industry.
- Develop, by January, 1985, a cooperative plan for the five state universities and AVTI's which are co-located.

Chapter 15: Recommendations Specific to the Community College System

The Commission recommends that the community colleges:

- Intensify their efforts to provide opportunities to those who would otherwise not continue their education.
- Reaffirm their mission to be responsive to community needs.
- Continue cooperative efforts with other higher education institutions.

Chapter 16: Recommendations Specific to the Area Vocational Technical Institutes:

The Commission recommends that the area vocational technical institutes (AVTI's) and the State Board for Vocational Technical Education:

- o Monitor the current governance structure to see if it allows for the AVTI system to become a "full-fledged partner" in post-secondary education.

- o Develop, by January, 1985, a cooperative plan for the five state universities and AVTI's which are co-located.

- o Study possible mergers of AVTI's and in particular, consider merging the AVTI's in Staples, Wadena, and Brainerd.

- o Integrate the AVTI adult and post-secondary vocational education.

Chapter 17: Recommendations Specific to Public Policy and Minnesota Private Higher Education

The Commission recommends that the Governor and Legislature:

- o Provide the support needed to preserve quality in both the public and private sectors of higher education.

The Commission recommends that governing boards and system leaders:

- o Continue cooperative efforts between institutions in the public and private sectors.